GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:506
ANSWERED ON:25.04.2003
EXCISE DUTY ON READYMADE GARMENTS .
JAGMEET SINGH BRAR

Will the Minister of TEXTILES be pleased to state:

(a) whether manufacturers of readymade garments are agitated over the withdrawal of excise duty concessions hitherto allowed;

(b) if so, the extent of impact of withdrawal of concessions on the export of readymade garments during 2003-04;

(c) whether the Government are taking any special steps to encourage manufacturers of readymade garments and to boost export thereof; and

(d) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI KASHIRAM RANA)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.506 RAISED BY J.S. BRAR FOR ANSWER ON 25.4.2003, REGARDING EXCISE DUTY ON READYMADE GARMENTS.

(a) The readymade garment manufacturers have expressed reservations over withdrawal of excise concessions.

(b) Changes have been announced in the budget proposals 2003-04 viz. to have a moderate rate of duty structure, to complete the CENVAT chain to promote compliance; to encourage modernisation; and to eliminate evasion. The Budget Proposals are expected to encourage investment flow, expansion of capacity, enhance competitiveness of the textile industry including readymade garments.

(c) & (d) The Government has taken various steps from time to time to encourage manufacturers of textiles including readymade garments and to boost exports thereof. This includes : -

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector.It has also raised the SSI investment limit for knitted segment from Rs. 1 crore to Rs. 5 crores.

ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through fiscal policy measures. This will further encourage modernisation.

iv) With a view to encouraging backward integration, the custom duty on shuttleless looms and specified textile machinery items has been brought down to 5%.

v) National Institute for Fashion Technology (NIFT) in its six branches and Apparel Export Promotion Council (AEPC) in its Appare Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

vi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of the importing countries.

vii) The Government has launched a centrally sponsored scheme titled `Apparel Park for Export Scheme` for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

viii) For upgrading infrastructure facilities at important textile centers, a scheme `Textile Centre Infrastructure Development Scheme (TCIDS) has been launched.